

109TH CONGRESS
2D SESSION

H. R. 4885

To amend the Defense Production Act of 1950 to prohibit acquisitions, mergers, or takeovers of persons engaged in interstate commerce in the United States by entities controlled by or acting on behalf of foreign governments that do not recognize countries that are member states of the United Nations, participate in boycotts against countries that are friendly to the United States, or provide support for international terrorism.

IN THE HOUSE OF REPRESENTATIVES

MARCH 7, 2006

Ms. BERKLEY introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Energy and Commerce and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Defense Production Act of 1950 to prohibit acquisitions, mergers, or takeovers of persons engaged in interstate commerce in the United States by entities controlled by or acting on behalf of foreign governments that do not recognize countries that are member states of the United Nations, participate in boycotts against countries that are friendly to the United States, or provide support for international terrorism.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PROHIBITION ON ACQUISITIONS, MERGERS, OR**
2 **TAKEOVERS BY ENTITIES CONTROLLED BY**
3 **OR ACTING ON BEHALF OF CERTAIN FOR-**
4 **EIGN GOVERNMENTS.**

5 (a) IN GENERAL.—Section 271(d) of the Defense
6 Production Act of 1950 (50 U.S.C. App. 2170(d)) is
7 amended—

8 (1) by striking “Subject to subsection (d)” and
9 inserting the following:

10 “(1) IN GENERAL.—Subject to subsection (e)”;

11 (2) by inserting after the first sentence the fol-
12 lowing new paragraph:

13 “(2) PROHIBITION ON ACQUISITIONS, MERGERS,
14 OR TAKEOVERS BY ENTITIES CONTROLLED BY OR
15 ACTING ON BEHALF OF CERTAIN FOREIGN GOVERN-
16 MENTS.—

17 “(A) PROHIBITION.—The President shall
18 prohibit any acquisition, merger, or takeover
19 described in subsection (b) that will result in
20 control of a person engaged in interstate com-
21 merce in the United States by an entity con-
22 trolled by or acting on behalf of a foreign gov-
23 ernment described in subparagraph (B).

24 “(B) FOREIGN GOVERNMENT DE-
25 SCRIBED.—A foreign government referred to in

1 subparagraph (A) is a foreign government
2 that—

3 “(i) does not recognize any country
4 that is a member state of the United Na-
5 tions;

6 “(ii) takes or knowingly agrees to take
7 any action to support any boycott against
8 a country that is friendly to the United
9 States and that is not itself the object of
10 any form of boycott pursuant to United
11 States law or regulation; or

12 “(iii) the Secretary of State has deter-
13 mined, for purposes of section 6(j) of the
14 Export Administration Act of 1979, sec-
15 tion 620A of the Foreign Assistance Act of
16 1961, section 40 of the Arms Export Con-
17 trol Act, or any other provision of law, is
18 a government that has repeatedly provided
19 support for acts of international ter-
20 rorism.”;

21 (3) by striking “The President shall announce”
22 and inserting the following new paragraph:

23 “(3) ANNOUNCEMENT OF DECISION; OTHER AP-
24 PROPRIATE RELIEF.—The President shall an-
25 nounce”; and

1 (4) in paragraph (3) (as so added)—

2 (A) by striking “pursuant to this sub-
3 section” and inserting “pursuant to paragraph
4 (1) or (2) of this subsection”; and

5 (B) by striking “subsection (a)” and in-
6 serting “subsection (a) or (b), as the case may
7 be,”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 subsection (a) apply with respect to any written notifica-
10 tion of a proposed or pending acquisition, merger, or take-
11 over received pursuant to section 721(b) of the Defense
12 Production Act of 1950 (50 U.S.C. App. 2170(b)) on or
13 after the date of the enactment of this Act.

○